

**SPECIAL SESSION
February 28, 2002**

The Board of Supervisors of Maricopa County, Arizona convened at 8:15 a.m., February 28, 2002, in the Board of Supervisors' Conference Room, Tenth Floor, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman; Fulton Brock, Vice Chairman; Andy Kunasek, Max Wilson, Mary Rose Wilcox, Fran McCarroll, Clerk of the Board; and Connie Copeland, Minutes Coordinator. Also present: David Smith, County Administrative Officer; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: (aye-no-absent-abstain).

PRESENTATION: PROPOSAL TO JOIN CONSORTIUM TO SEEK RELOCATION OF THE INTERNATIONAL GENOMICS CONSORTIUM TO ARIZONA.

Item: Presentation for consideration of a proposal from the Arizona Biotechnology and Biomedicine Institute (ABBI) to join a consortium of public and private partners to seek relocation of the International Genomics Consortium to Arizona. (ADM686)

Michael Berens, Ph.D., Director of Neurology Research, Biomedical Institute at St. Joseph's Hospital and Co-Chair of the Arizona Biotechnology and Biomedicine Institute (ABBI), provided an overview of bio-life sciences. He explained that merging bio-life sciences and commercial opportunities would be great for Arizona. Dr. Berens asked the County to join a consortium of public and private entities in raising funds to relocate the International Genomics Consortium (IGC) to Arizona. He explained the economic benefits to the County. Dr. Berens reported that state-of-the-art scientific activities would develop as marketable spin-offs from genome technological facilities that IGC would develop which will draw other scientists to Arizona. The ability of hospitals like St. Joseph's Hospital to attract additional grant funding will be enhanced by IGC's presence in Arizona. He stressed the need for the State to seize this opportunity to jumpstart the biotechnology industry that will provide long-term benefits for the State. Dr. Berens reported that the consortium estimates that \$50 million over five years is necessary to sustain this enterprise. He asked the Board for their financial support.

Dr. Berens clarified that IGC filed as a 501(C)3 in August 2001 and expects to be awarded this designation in March 2002. IGC has 19 clinical partners nationally and several international partners that will work to investigate the genetic profile of some 10,000 types of tumors. IGC will partner with academic centers, private research industries, and other private companies. ABBI is a private, not-for-profit organization that will file as a 501(C)3. ABBI wants to grow biotechnology in Arizona. It will network, provide guidance, and introduce venture capital investors. Using a three-tiered approach, ABBI will encourage core scientific facilities so that all State universities may benefit. It will provide community and educational seminars and conferences, provide administration backup, and work to bring about technology transfer by developing marketable intellectual property so that ABBI can eventually become self-sustaining.

Chairman Stapley responded that Maricopa County would like to explore the possibility of making a contribution. David Smith, County Administrative Officer, explained that the deadline for ABBI to present the Arizona proposal was mid-March. To date, ABBI has gathered \$35 million in promised funding. He stated that between responsibilities for Maricopa Integrated Health System (MIHS) and other capital projects.

Supervisor Wilcox recognized the Downtown Phoenix Partnership in its efforts to encourage IGC to locate in downtown Phoenix. She thanked Phoenix Councilman Greg Stratton for his participation in this endeavor.

Supervisor Brock commented that from his experience serving on the Greater Phoenix Economic Council (GPEC), Phoenix would like to bring the biotech industry to Arizona. He questioned the short notice and the "sticker shock" of ABBI's request. Supervisor Brock also asked if Phoenix could compete with the other cities vying for this research enterprise.

Dr. Berens explained that Dr. Jeff Trent, Director, National Human Genome Research Institute, was a native Arizonan and would like to return to this State. He reported that Dr. Trent and IGC would work with all universities, not one institution alone. IGC will build on current partnerships using monies available from Prop 301. He explained that Lattie Coor, President of ASU; Pete Likens, President of U of A; and John Haeger, President of NAU, are unified in their efforts to bring IGC to Arizona.

Chairman Stapley asked what role MIHS could play in the research efforts. Dr. Berens explained that IGC would generate genomic data, which other scientists will want; therefore, other research projects will be drawn to Phoenix because of IGC's presence which will benefit MIHS. Chairman Stapley noted that the consortium still needs to raise \$15 million.

Cheryl Sculley, Assistant Manager, City of Phoenix, stated that at this time the consortium's goal is to raise \$50 million. This figure is based on the amount Atlanta, in partnership with Emory Riddle University, offered IGC to locate to their city. Ms. Sculley reported that through the efforts of Margie Emmerman, Director, Arizona Department of Commerce, the State has committed \$5.5 million and supports a Bill before the State legislature to contribute funds from the Tobacco Tax revenues. The City of Phoenix is considering contributing the Phoenix Union School property, which will be a \$10-15 million investment when the building is constructed. St. Joseph's Hospital has agreed to provide transitional lab space. ASU will contribute \$4.5 million of their Prop 301 money, and the Flynn Foundation has committed \$10 million. Other individuals have also committed their resources. Ms. Sculley noted that ASU is looking at expanding their presence in the Phoenix downtown area, and the U of A is discussing relocating their Arizona Health Science Center to Phoenix. She emphasized that Phoenix is competing with Atlanta, Houston and Washington D.C. for IGC. Dr. Trent has advised that IGC must make the decision of where to relocate this fiscal year.

Dr. Ray Woosley, U of A, Vice-President of Health Services, explained that the March 15, 2002, date is not a "drop dead" date. The consortium is waiting on a Price Waterman Cooper feasibility study which should be completed next week. The report will include an estimate on the necessary funding. Members of the consortium will then meet with Dr. Trent to determine the number of people that might relocate to Phoenix and their equipment needs. Discussions about timing and possible specific locations will follow.

Councilman Greg Stratton emphasized that this is an opportunity for Arizona to be a leader in biotechnology which is a \$5 billion-a-year industry. We want to be able to have patents which are developed in Arizona stay in Arizona. We want to encourage biotechnology clusters in our community.

Brain Kearney, President and CEO, Downtown Phoenix Partnership (DPP), stated that this project would generate the critical mass to make Arizona a biotech leader. DPP is glad to have the site in the downtown Phoenix area, and the business community in the area is also supportive.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**SPECIAL SESSION
February 28, 2002**

Supervisor Kunasek asked if the consortium could repay the \$50 million investment. Dr. Berens explained that no one gets to invest but may gift to the 501(C)3. This enterprise should generate money for the county and the cities through tax revenues when it becomes self-sufficient.

Dr. Woosley clarified that ABBI does not exist at this time. It is under development in conjunction with the input of our three state university presidents. ABBI will probably be a 501(C)3. The ABBI concept was presented to the Board of Regents who supported the structure. ABBI will have no profits, but many of the spin-off companies will be for profit. At this time ABBI is a philanthropic enterprise. There has been discussion about providing offering rights to participants as incentives to invest.

Supervisor Kunasek asked Dr. Berens and Dr. Woosley to be available to answer questions from Mark Hillard, CEO, MIHS, and Dr. Keen, the Medical Examiner, whose guidance Supervisor Kunasek will seek. Chairman Stapley ended the discussion by stating that the Board would work hard to make this happen.

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

Don Stapley, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board